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Date: August 8, 2016  
To: Workforce Development Board Directors  
From: Phil Koenig, Bureau Director   
Division of Employment and Training  
Subject: **Workforce Innovation and Opportunity Act (WIOA) Policy Update 16-01:  
Youth Incentive Awards Payment Policy**

**Purposes**

To provide the State policy for granting incentive payments to youth enrolled in the Title I Workforce Innovation and Opportunity Act (WIOA) Youth program.

-And-

To rescind Policy Update 13-02: Youth Incentive Awards and Stipend Payment Policy.

**Legislative/Regulatory References**

- *WIOA Final Rule*, 20 CFR 681.650
- *Uniform Guidance*, 2 CFR Parts 200 and 2900

**Background**

The Workforce Investment Act (WIA) section 129(a)(5) allowed for youth engaged in a WIA youth funded program to be awarded incentive and stipend payments *for recognition and achievement in WIA related activities*. Payments were subject to the requirements of Policy Update 13-02 and Office of Management Bureau (OMB) Circular 122.

The Workforce Innovation and Opportunity Act (WIOA) also allows for payments of incentives to youth. WIOA, however, takes a narrower approach regarding who is eligible to receive payments. Section 681.650 of the WIOA Final Rules states that incentives are payments "*for recognition and achievement directly tied to training activities and work experiences*." Payments are subject to the requirements of this Policy Update and the Uniform Guidance 2 CFR Parts 200 and 2900, which replaces sections formally covered under OMB Circular 122.

WIOA does not allow stipend payments, but does allow needs-related payments. Further guidance regarding needs-related payments for youth will be forthcoming.

## **Policy**

Incentive payments to youth participants "for recognition and achievement directly **tied to training activities and work experiences**" are allowed, if the local program has written policies and procedures in place governing payment and ensures that the incentives are:

- contingent upon the achievement of specific and measurable goals
- justified in the file or case notes;
- outlined in the youth's Individual Service Strategy (ISS) before the commencement of the program that may provide payments;
- documented by attendance or time sheet, signed by the participant and the instructor/case manager;
- processed through a voucher or similar method;
- align with the local program's organizational policies; and
- in accord with the requirements of 2 CFR Parts 200 and 2900.

The frequency, amount and maximum number of times a participant may receive an incentive will be determined by the Workforce Development Board (WDB).

## **Documentation**

- The participant's ISS must identify the training activities and/or work experiences that the participant plans to undertake and the corresponding incentive award(s) to be provided.
- The paper file and/or Automated System Support for Employment and Training (ASSET) record must demonstrate justification for the provision of the incentive payment(s). If the payment is related to attendance, the paper file must include a copy of an attendance or time sheet, signed by the training instructor or an appropriate workplace representative for instances of work experience activities.
- The payments must be processed through a voucher or similar method.

## **Equal Treatment**

Incentives payments must be administered in a manner to ensure that all participants receive equal rewards for equal achievements.

## **Procurement**

The procurement of non-cash incentives must follow standard procurement procedures as stipulated in CFR §200.318 - 320.

## **Monitoring**

The WDB must have monitoring policies and procedures in place to ensure that service providers are complying with the WDB's youth incentive payment policy. The Division of Employment and Training Local Program Liaisons will review the WDB's incentive payment policies and procedures along with other program records, as appropriate, during regular monitoring visits.

### **ASSET Reporting**

The provision of incentives payments is recorded in ASSET under Manage Services, "Incentives". This is a change from the previous guidance, which required entry of "Needs Related Payments (Stipends for Youth in Training)".

### **Questions and/or Technical Assistance and Training**

If you need additional information regarding this policy, please contact the Local Program Liaison assigned to your area.